

TOTAL BUDGET— REVENUES

Revenue estimates are based on actual prior year amounts, current year projections, trend analysis, and general economic forecasts. Each of the major

revenue categories are discussed in further detail below the chart.

Total Revenue by Major Type

	2011-12 Actual	2012-13 Budget	2013-14 Adopted	2014-15 Projected
<i>Property Tax</i>	154,155,911	156,568,660	160,347,442	164,641,400
<i>Sales Tax</i>	38,951,099	38,865,795	38,994,215	40,111,245
<i>Intergovernmental Revenue</i>	40,031,676	44,364,069	44,350,233	44,939,978
<i>User Fees/Charges/Licenses</i>	163,913,451	170,248,671	169,852,070	173,397,451
<i>All Other</i>	136,604,544	94,992,980	89,935,161	92,341,861
<i>Interfund Transfers</i>	39,177,436	35,288,758	33,752,971	33,459,358
<i>Appropriated Fund Balance</i>	46,607,931	28,524,867	28,637,804	34,472,594
 <i>Total</i>	 619,442,048	 568,853,800	 565,869,896	 583,363,887
 <i>Less Transfers & Internal Charges</i>	 108,089,921	 110,079,285	 106,755,820	 108,144,350
 <i>Net Revenues</i>	 511,352,127	 458,774,515	 459,114,076	 475,219,537

Property Taxes

The City of Greensboro relies on property taxes to raise about one-third of the net revenues needed to support municipal operations in all funds. The FY 13-14 Budget is balanced with a property tax rate of 63.25 cents, the same rate as FY 12-13. The tax rate is allocated 58.72 cents to the General Fund, 3.34 cents to the Transit Fund, 0.69 cents to the Housing Partnership Fund and 0.50 cents to the Economic Development Fund, created in FY 12-13.

Tax base growth is projected at approximately 1% for FY 13-14, based on projections provided by the Guilford County Tax Department. For the 14-15 planning year, valuation growth is projected at 1.5%.

The second-year budget is balanced with a 64.78 cent tax rate, the equivalent of roughly one and one-half cent rate increase over the adopted rate for FY 13-14. This projected rate increase is solely allocated to the General Fund and would support

expenditure increases such as a full year's operations cost of the Northeast Branch Library and an additional fire company for East Greensboro.

Local Option Sales Tax

The State of North Carolina grants local governments the authority to levy a general local sales tax of up to 2.0%. Counties and transportation authorities are also authorized to levy a public transportation sales tax (subject to voter approval) and counties may authorize a restricted county purpose local sales tax of 0.25% (subject to voter approval). The general state sales tax is currently at 4.75%. Guilford County levies a 2.0% general sales tax. Sales tax distribution among jurisdictions within Guilford County is based on total tax levy of all jurisdictions.



Total Budget-Revenues

Sales tax revenue is projected at \$39 million for FY 13-14. This is only about 0.3% greater than the current year budget of \$38.9 million and just under 3% over current year revised estimates.

Local option sales tax revenues constitute about 8-9% of net revenues.

Intergovernmental Revenue

Intergovernmental revenues include those revenues that are collected by the State of North Carolina and returned to local governments, such as the Beer and Wine Tax, Utility Franchise Taxes, various cable and satellite service sales taxes (now shared with local governments through the Video Services Competition Act) and portions of the state tax on gasoline. This revenue category also includes contributions from Guilford County for support for the City's Library System and federal and state grants that help support the Greensboro Transit Authority.

Intergovernmental revenues are budgeted at \$44.3 million, essentially the same level as FY 12-13. Electric Utility Franchise revenues have shown healthy growth during FY 12-13. The current year estimate of \$9.6 million would be about \$600,000 over the previous year. For FY 13-14, this revenue is projected at \$10 million, or 3.5% growth. Video Programming Sales Tax, Telecommunications Sales Tax and Home Satellite Sales Tax are all projected to fall below FY 11-12 actual levels (\$2.96 million combined current year compared to \$3.03 million in FY 11-12) and no growth is projected for FY 13-14.

FY 12-13 marks the final year of the hold harmless payments from the State of North Carolina that were first instituted in FY 2003-04. The City's final payment in the current year was \$463,100.

Powell Bill funds, the City's portion of the state gasoline tax, are budgeted at \$7.1 million for FY 13-14.

In anticipation of reductions in federal subsidy, the Greensboro Transit Authority has reduced its projected budget for federal assistance for FY 13-14 from \$5.6 million to \$4.8 million.

The contribution from Guilford County for support of the City's Library System is budgeted at \$1,356,847,

the same amount received from Guilford County during the current year.

User Fees, Charges and Licenses

These revenues represent charges for City services that are provided by departments typically operating as enterprises in separate funds. Examples include water and sewer charges, transfer station tipping fees, parking fees, and the stormwater management fee. Charges for services provided by General Fund Departments, such as Parks and Recreation and Engineering and Inspections are also included in this category.

Budgeted revenues for FY 13-14 are \$169.8 million, similar to the \$170.2 million budgeted for FY 12-13.

Previous changes for service to Hagan-Stone and Bur-Mil Park and changes in accounting for off-duty police work are both working to offset other revenue increases in this category. With Guilford County retaining management of Hagan-Stone and Bur-Mil Parks effective January 2013, revenues previously earned at these two locations will no longer be in the budget. This represents a reduction of about \$780,000 from FY 12-13 to FY 13-14.

User fee revenue generated in the Water Resources Fund is a significant portion of this revenue category. Water Resources user fee revenue is budgeted at \$91.6 million. The adopted budget includes a water rate increase of 3.5% for customers inside the city limits and 7.5% for customers outside the city limits to be effective July 1, 2013.

Solid Waste Management increased the transfer station tipping fee from \$41 per ton to \$44 per ton in April 2013. FY 13-14 will show a full year's value of this rate adjustment, increasing budgeted revenues for the Transfer Station operations by about \$650,000.

The FY 12-13 budget included the resumption of the monthly household hazardous waste fee, effective January 1 2013. FY 13-14 will include a full year's revenue generated by this fee, approximately \$456,000. This \$0.40 cents per month fee supports the household hazardous waste collection program, which is available to residents and located on Patterson Avenue.

Other Revenues

Revenues not otherwise defined are included in this category. These include interest income, internal service charges, proceeds of capitalized leases, donations and sale of assets. Internal charges, or charges assessed by one department for services rendered for another, are captured in this category. This includes internal printing charges, garage and fleet maintenance charges and computer service and maintenance charges.

Revenues for this category are budgeted for FY 13-14 at \$89.9 million.

As part of the organization's overall effort to reduce costs and gain efficiencies, internal charges assessed by the Equipment Services operations for maintenance and replacement of City vehicles are being reduced for FY 13-14. Budgeted revenue for internal lease charges is reduced from \$15.7 million to \$13.9 million.

Changes in procedures for off-duty police employment will significantly reduce the offsetting revenue previously accounted for in the City budget (along with the expense). Payments for services rendered are handled directly between the officer and the hiring location, rather than being recorded as both revenue and expense within the City's accounting system. This will reduce recorded revenue by about \$2.8 million.

Interfund Transfers

Interfund transfers are contributions made by one fund to support operations in another fund, such as contributions from the General Fund to the Solid Waste Management Fund to support refuse disposal, and contributions to the Debt Service Fund to support voter-approved bond project financing.

Budgeted interfund transfers decrease from \$35.3 million in FY 12-13 to \$33.8 million in FY 13-14. The primary driver of this net reduction is the reduced contribution from the General Fund to the Solid Waste Fund. The contribution is lowered from the FY 12-13 amount of \$3.19 million to \$2.46 million. The current year budget also includes transfers from the Technical Services Fund (\$162,900) and the Network Services Fund (\$119,280) to the General Fund to help close the budget gap for FY 12-13. These transfers are not included in the FY 13-14 budget. The General Fund contribution to the Coliseum Fund increases from \$1.90 million to \$2.21 million.

Fund Balance

The City of Greensboro fund balance policy states that "each year the estimated savings realized from unexpended appropriations in the General Fund shall be evaluated with respect to appropriation to the following year's revenue budget as Appropriated Fund Balance to assist in financing that year's budget."

Appropriated fund balance amounts across all funds increase slightly from \$28.5 million in FY 12-13 to \$28.6 million for FY 13-14. The Water Resources Fund is budgeting \$8.1 million in appropriated fund balance to support operations, compared to \$5.5 million in the current year. To help offset other revenue losses, the Transit Fund will appropriate fund balance of \$875,000 for FY 13-14, compared to \$371,000 for the current year.

Appropriated fund balance for the General Fund is \$3.88 million, or 1.5%, of the total budget. This appropriation level is below the original FY 12-13 appropriated fund balance figure for the General Fund of \$4.67 million and the revised figure of \$6.60 million.



***Total Net Revenues by Major Type
(Adopted FY 13-14 Budget)***

